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August 3, 2012

The Honorable Hillary Rodham Clinton
Secretary of State
US Department of State
2201 C Street, NW
Washington, DC 20520

Dear Madam Secretary,

The State Department's Directorate of Defense Trade Controls notified House and Senate leaders on July 18 that it will grant an export license for a deal between Space Systems/Loral and AsiaSat, a company owned in part by state-owned China International Trust and Investment Corporation. I believe granting such a license ignores two U.S. laws prohibiting space cooperation with China that are already on the books, and also runs afoul of the clear intent of the U.S. House expressed only weeks ago in favor of keeping a ban on space cooperation with the Communist regime.

There are existing sanctions against selling military goods to China that were imposed after the 1989 Tiananmen Square massacre (Foreign Relations Authorization Act, FY 1990 and 1991). The FY 1999 National defense Authorization Act put satellites on the Munitions List after scandals involving the transfer of technology to China by American firms, including Loral. And the National Defense Authorization Act for 2013 and the Foreign Relations Authorization Act for 2013, as passed by the House, contain the same prohibition: "No license or other authorization for export shall be granted for the transfer, retransfer, or reexport of any commercial satellite or related component or technology contained on the Commerce Control List to any person or entity of the following: (1) The People's Republic of China."

I support export control reform that makes it easier to work with friends and allies. China, however, is neither a friend nor an ally; it is an adversary.

The State Department justified its approval of the new Loral license under the 1992 U.S.-Hong Kong Policy Act, which the department claims exempts Hong Kong from U.S. laws restricting exports of space technology and defense goods to China. This is a transparent attempt by the State Department to avoid rather than fulfill its duty to maintain American security without regard to commercial special interests. In 1992, Hong Kong was still a British colony; but it reverted to Beijing's control in 1997. Running material through Hong Kong fools no one unless they want to be fooled.

An intelligence report produced by the National Air and Space Intelligence Center has stated that AsiaSat satellites have been used by the People's Liberation Army for military-related

communications. Yet, this is not the major point. Any cooperation between American aerospace firms and Chinese entities will inevitably improve Chinese military capabilities. In the earlier Loral case, it was not the satellites but the aid Loral gave China to improve the reliability of its satellite launchers that proved dangerous as it led to the improvement of Chinese military missiles. The Chinese will exploit any cooperation by every means available to gain technology that will then be used against us. No amount of spin can get around that reality.

Beijing has been demanding for decades that the U.S. lift its controls of technology to China. The Chinese press and some Communist officials have claimed that the Obama administration has promised Beijing that controls would be liberalized. If this is an attempt to win better relations with Beijing in the midst of rising tensions in North Korea, the South China Sea, and Iran, it will fail. Expanded economic ties with China over the last two decades have not tamed the Communists, it has emboldened them as their wealth and capabilities have grown. Feeding the dragon only makes it stronger; it does not change its nature.

The decision of the Directorate of Defense Trade Controls must be overturned. No licenses for cooperation with China in space projects should be issued.

Sincerely,

A handwritten signature in black ink, reading "Dana Rohrabacher". The signature is fluid and cursive, with the first name "Dana" and last name "Rohrabacher" clearly distinguishable.

Dana Rohrabacher

Chairman

Oversight and Investigations Subcommittee

House Committee on Foreign Affairs